

Lanton Strategies

2001 L Street NW
Suite 500
Washington D.C. 20036

Proponent Testimony for LD 1450 titled “An Act to Provide Fairness in Communications from Pharmacy Benefits Managers”

Dear Chairwoman Sanborn and Chairwoman Tepler,

Good morning! My name is Ron Lanton and my firm represents several independent retail pharmacies throughout the state of Maine.

We want to thank this Committee and the Legislature as it has helped many pharmacies over the years put in legislation to not pick “winners and losers” but to help level the playing field for independent pharmacies. As we have shown this Committee throughout the years, pharmacy benefit managers have created a system where they are able to:

- Control what goes on the preferred drugs lists;
- Control what doctor and pharmacy a patient can go to; and
- Over time they have created take it or leave it contracts where pharmacies have no choice but to sign one sided contracts in order to keep their patients

While Maine has been proactive in blunting the marketplace impact of PBMs, we have one more issue to confront, which is pharmacy steering.

PBMs either act as a carrier or in CVS/Caremark’s case are the insurer and pharmacy benefit manager. Throughout the year, PBMs will send out confusing and/or misleading information to consumers about whether their pharmacy of choice is still in the network, or in order to steer patients to pharmacies they own. This practice is not good for consumer choice and there is no clear evidence by a PBM that this saves a consumer money.

This bill requests that any communication sent out by PBMs be fair and accurate when a PBM approaches a pharmacy’s customers. We are asking this because a PBM has an extra level of care to provide the correct information about who is in the network because the PBM controls the network.

The pharmacies will be able to give additional information around this issue. Maine would not be the first state to do this as Georgia passed this same legislation in 2019 and there are others considering similar “self dealing” legislation.

I would be happy to answer any questions.

Best regards,

/s/ Ron Lanton III

Ron Lanton III, Esq.

Ron Lanton
NPSC

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